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Governor



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STATE OF UTAH

DEPARTMENT OF HEALTH  
DIVISION OF ENVIRONMENTAL HEALTH

150 West North Temple, P.O. Box 2500, Salt Lake City, Utah 84110-2500

Marv H. Maxell, Ph.D., Acting Director  
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RECEIVED

JUN 11 1983

IPP

June 8, 1983  
533-6108

James Anthony  
Intermountain Power Project  
111 North Hope Street  
P.O. Box 111 Room 931  
Los Angeles, California 90051

RE: Revised Request for Information

Dear Mr. Anthony:

As a result of information exchanged between the Bureau of Air Quality staff, Ron Nelson, and Roger Pelote on May 13, 1983, it has been determined that it is no longer necessary to study further the possibility of using reduced air preheat or flue gas recirculation to control NO<sub>x</sub> emissions.

At the conclusion of the May 13 meeting, it was determined that the following five NO<sub>x</sub> reduction techniques should be studied by IPP in detail:

1. Selective Catalytic Reduction (SCR)
2. Thermal DeNox
3. Overfire Air Ports
4. Lower Excess Combustion Air
5. Decreased Plan Heat Release Through Boiler Derating

IPP estimates of the cost to add the above control techniques to the project and the degree of emission reduction which could be expected from those techniques should be included. The cost data should be developed based on 1) the project being delayed to incorporate the potential control techniques at startup, and 2) retrofit of the control technique(s) at some future time.

The memo from Black and Veatch to Ron Nelson, which was submitted to the Air Conservation Committee on April 15, 1983, contains some cost data for the SCR system and a 95% SO<sub>2</sub> scrubber. However, it is still necessary to evaluate the cost of those systems if they were to be retrofitted after plant start-up.

IPP	
DIST	CC AT
CHA	✓
PLN	✓
LEN	✓
POB	
WLD	
ASS	✓
SRS	
HCB	
DWF	✓
JAV	
ENF	
TSA	
LAA	
CON	
HFO	
WLD	✓
PEG	
DES	
WFB	✓
APB	
PGH	
TRC	
FEA	
FE	
EE	
2TP	✓
SE	X

MSJN

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James Anthony  
June 8, 1983

We also have these questions regarding the Black and Veatch data you need to address as soon as possible:

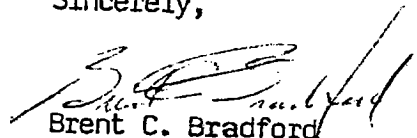
1. How are the expenses listed as "Capitolized Annual Costs of Operation" calculated and what costs do they include?
2. How are the "Indirect Costs at 14%" calculated and which criteria were used to pick this interest rate?
3. What is AFUDC and how is it calculated?
4. Escalation is listed at 24% of the capitol costs. How is this justified?
5. In what year dollars are the capitolized annual costs expressed?

Please do not include sales tax, in cost estimates for control equipment, as sales tax for pollution control equipment is rebatable by Utah law.

Please note that items #1 and #3 of our May 6 request are still needed.

Please provide this information by June 20, 1983. It is our desire to present a preliminary determination of BACT to the Air Conservation Committee at their regular meeting scheduled for July 7, 1983.

Sincerely,

  
Brent C. Bradford  
Executive Secretary  
Utah Air Conservation Committee

DK:wml  
cc: Central Utah District Health Department  
James Hotkamp  
Fred Nelson  
3048